

U. S. House of Representatives
Committee on Financial Services
2129 Rayburn House Office Building
Washington, DC 20515

March 3, 2010

The Honorable Ben S. Bernanke
Chairman
Board of Governors of the
Federal Reserve System
Washington, DC 20551

Dear Mr. Chairman:

During your Humphrey-Hawkins testimony before this Committee last week, Representative Ron Paul raised questions about inappropriate political interference with the Federal Reserve System resulting in hidden transfers of resources to facilitate crimes during the Watergate scandal in the 1970s, and to Iraq for weapons purchases during the 1980s. These are serious allegations and must be fully investigated. I expect that you will do so promptly, and share the results of your investigation with Congress.

Given the continued concern about political interference with the Federal Reserve System and allegations about a lack of transparency, these charges cannot be left unaddressed.

Representative Paul cited reports and stonewalled investigations regarding these charges, and, with this letter, I am asking him to share with you whatever information he has that may facilitate your investigation.

The Federal Reserve's ability to manage monetary policy in an effective manner depends, in large part, on its reputation for independence and integrity. A complete investigation of these charges is necessary to maintain both.


BARNEY FRANK
Chairman

✓ cc: Representative Ron Paul